

# Accendo's Latest Friendship

Stockholm (HedgeNordic) – Activist investor **Accendo Capital** is making a new investment in Modelon, a Swedish provider of model-based systems engineering solutions. Modelon has announced its intention to conduct an offering of both new shares and existing shares to the public and list the shares on Nasdaq First North Growth Market, with Accendo set to become the largest single shareholder.

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"We are excited to announce our next investment: Accendo Capital will be the cornerstone investor in the IPO of Modelon, a Swedish software company in the Computer Aided Engineering space with 15 years of operating history," the Accendo team writes in a LinkedIn post. "Accendo will become the largest single shareholder in Modelon with 23% of share capital and votes, and looks forward to working with all company stakeholders as a long-term, active owner."

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According to published transaction documentation, Modelon's initial public offering is set to be conducted at a fixed price of SEK 44 per share and consists of both new shares issued by the company and existing shares sold by existing shareholders, including Modelon's CEO, Magnus Gäfvert, among others. Accendo, which had about €190 million under management at the end of March, has undertaken to subscribe for 48 percent of the offering's shares under certain conditions and at the same share price of SEK 44 as other investors.

The initial-public-offering price of SEK 44 sets Modelon's valuation at SEK 335 million prior to the completion of the offering. The newly issued shares will generate about SEK 150 million in gross proceeds for Modelon before the deduction of costs relating to the offering. Pareto Securities is the financial advisor and sole bookrunner managing the IPO.

Modelon offers software products and complementary consulting services in industrial mathematical modelling, simulation and analysis of complex technical systems, enabling companies to digitize, transform and improve their product development. "The reasons for the Offering are to create strong financial conditions for continued development of the Company's products, to increase sales activities, and to diversify the Company's shareholder base," writes Modelon in a press release.

Modelon joins Accendo's concentrated portfolio currently comprising five other disclosed names: Hexatronic Group, Doro, Impact Coatings, Remedy Entertainment, and SSH Communications Security. Accendo Capital typically owns significant minority stakes and is an active shareholder in listed small-cap companies in northern Europe that drive, or benefit from, technological innovation. The fund, managed by Henri Österlund, Mark H. Shay, and Kai Tavakka, has generated an annualized net return of 16.2 percent since launching in early 2008, according to company data compiled by HedgeNordic.